

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 14-
	:	
JOHN YOUNGCLAUS	:	18 U.S.C. §§ 641, 981(a)(1)(c) and 2
	:	28 U.S.C. § 2461(c)

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant JOHN YOUNGCLAUS (“defendant YOUNGCLAUS”), was the owner of JRY Plumbing & Heating, Inc. (“JRY”), a company located in Bayonne, New Jersey.

b. The City of Bayonne Department of Community Development (“CBD CD”) was a government agency that received funds from the United States Department of Housing and Urban Development (“HUD”) under a federal program that provided grants to low income families to rehabilitate their homes and to repair conditions that were considered to affect their health and safety, and their homes’ accessibility, energy efficiency or code compliance, up to an amount of \$20,000 per grant. The CBD CD also provided these HUD funds under the same federal program to nonprofit organizations to rehabilitate their facilities and to repair conditions that were considered to affect their health and safety, and their facilities’ accessibility, energy efficiency or code compliance.

2. The CBDCD selected contractors for the HUD funded rehabilitation grants through a competitive bidding process that required contractors to submit independent bids comprised of estimated price quotes for the proposed scope of work, without knowledge of the estimated price quotes of competing contractors. The CBDCD selected the lowest bidder for particular applications.

3. Between in or about January 2012 and in or about December 2012, defendant YOUNGCLAUS solicited, received and submitted bids from competing contractors that were higher than the bids that defendant YOUNGCLAUS submitted to the CBDCD on behalf of JRY. In at least one instance, defendant YOUNGCLAUS received blank invoices from a competing contractor and defendant YOUNGCLAUS wrote the job details and price quote on the blank invoice and submitted the fraudulent bid along with a lower bid from JRY to the CBDCD. As a result of defendant YOUNGCLAUS's conduct, JRY was designated the plumbing contractor on the corresponding HUD funded grant projects.

4. On at least two occasions between in or about January 2012 and in or about December 2012, defendant YOUNGCLAUS submitted bids from two competing contractors to the CBDCD for rehabilitation projects at a multifamily apartment building and a two-family house in Bayonne that defendant YOUNGCLAUS owned. The CBDCD awarded the work on the corresponding jobs to the contractor with the lowest bid, however, JRY performed the work and received the payment for the work through collusion with the competing contractor.

5. As a result of defendant YOUNGCLAUS colluding with other contractors, JRY wrongfully obtained approximately \$224,250 in HUD grant funds from the CBDCD between in or about January 2012 and in or about December 2012.

6. Between in or about January 2012 and in or about December 2012, in the District of New Jersey and elsewhere, defendant

JOHN YOUNGCLAUS

did knowingly embezzle, steal, purloin, and convert to his own use and the use of others, money of HUD, a department and agency of the United States, that is, approximately \$224,250 in grant funds to which he and others were not entitled.

In violation of Title 18, United States Code, Section 641 and Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 641 set forth in this Information, defendant

JOHN YOUNGCLAUS

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real or personal, that constitutes or is derived from proceeds traceable to this offense. The property to be forfeited is money in the amount of \$224,250.

3. If by any act or omission of defendant YOUNGCLAUS, any of the property subject to forfeiture described in paragraph 2 herein:

- a) cannot be located upon the exercise of due diligence;
- b) has been transferred or sold to, or deposited with, a third party;
- c) has been placed beyond the jurisdiction of the court;
- d) has been substantially diminished in value; or
- e) has been commingled with other property which cannot be divided without difficulty;

the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Pursuant to Title 18, United States Code Section 981(a)(1)(C) and Title 28,
United States Code, Section 2461(c).

Paul J. Fishman/rah

PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

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UNITED STATES OF AMERICA

v.

JOHN YOUNGCLAUS

INFORMATION FOR

18 U.S.C. §§ 641, 981(a)(a)(c) and 2
28 U.S.C. § 2461(c)

PAUL J. FISHMAN

U.S. ATTORNEY

NEWARK, NEW JERSEY

JACQUES S. PIERRE

STEVEN G. SANDERS

ASSISTANT U.S. ATTORNEY

973-645-2716
